

IN RE: PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF  
GAS TRANSPORTATION AGREEMENT  
WITH THE GOODYEAR TIRE AND  
RUBBER COMPANY

**PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF GAS  
TRANSPORTATION AGREEMENT WITH  
THE GOODYEAR TIRE AND RUBBER COMPANY**

2. Atmos is engaged in the public utility business of furnishing natural gas to customers in numerous counties and cities in Tennessee.

3. Goodyear is a manufacturer of tires and related products that maintains one of its largest tire manufacturing facilities in Union City, Tennessee (the "Union City Plant"). The Union City Plant is a 2.2 million square foot facility that employs approximately 3,000 workers.

4. Due to intensive competitive pressure by domestic and foreign tire manufacturers, Goodyear's profitability has declined sharply. As a result, Goodyear has been exploring cost containment opportunities, including layoffs and plant closures.

5. Several years ago, Goodyear entered into a requirements contract with Atmos for gas transportation service to its Union City Plant. The Union City Plant can also be fully served by oil.

6. Recently, as part of its consideration of cost containment opportunities, Goodyear notified Atmos of its intent to install a pipeline connection from the Union City Plant to the CMS Trunkline Gas Company pipeline located approximately three miles from the Union City Plant to bypass Atmos' distribution system and service its facilities directly from the CMS Trunkline Gas Company pipeline. Goodyear provided information to Atmos which indicated Goodyear had significantly reduced its gas costs in Texas and Kansas by constructing direct connections to intrastate and interstate gas pipelines to bypass the local gas distribution companies. Goodyear also provided Atmos with the feasibility study and cost analysis it had performed with regard to the proposed direct connection pipeline in Tennessee. A copy of the cost analysis and feasibility study are attached hereto as collective Exhibit A. Because Exhibit A contains highly sensitive, confidential trade secrets and competitive information that is protected under Tennessee law, Atmos has stamped this information "Confidential" and is submitting this information in a sealed envelope with the understanding that the envelope will be opened only by the directors of the

TRA and the appropriate staff members of the TRA, and that the information will not be disseminated on the TRA website nor disclosed to any third party without prior written authorization from Atmos.

7. In response to Goodyear's notification of its intent to bypass, Atmos performed its own analysis to evaluate the economic basis of Goodyear's decision to bypass Atmos' distribution system. Upon review of the information and discussions with Goodyear, Atmos determined that the proposed bypass was both an economically feasible and operationally viable option for Goodyear.

8. Having concluded that a bypass by Goodyear was imminent, Atmos performed further financial analyses and negotiated a rate structure that would keep Goodyear as a long term customer rather than continuing with its plan to install a bypass pipeline. Attached as Exhibit B is the Gas Transportation Agreement that represents the results of those negotiations. Because Exhibit B contains highly sensitive, confidential trade secrets and competitive information that is protected under Tennessee law, Atmos has stamped this information "Confidential" and is submitting this information in a sealed envelope with the understanding that the envelope will be opened only by the directors of the TRA and the appropriate staff members of the TRA, and that the information will not be disseminated on the TRA website nor disclosed to any third party without prior written authorization from Atmos.


9. Due to the circumstances of this case, Atmos is not seeking any margin loss recovery for the attached Gas Transportation Agreement.

10. The rates specified in the attached Gas Transportation Agreement are not unduly preferential or unduly discriminatory and are the highest rates that could be negotiated. Approval

of the attached Gas Transportation Agreement is in the best interest of the citizens of Union City and the State of Tennessee.

WHEREFORE, Atmos respectfully requests that the attached Gas Transportation Agreement be approved.

BAKER, DONELSON, BEARMAN  
CALDWELL & BERKOWITZ



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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following parties of interest this 30<sup>th</sup> day of September, 2003.

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